GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:479
ANSWERED ON:23.02.2001
NON-PERFORMING ASSETS
PRIYA RANJAN DASMUNSI

Will the Minister of FINANCE be pleased to state:

(a) the average in World Banking System about the non-performing assets and the present position in Indian Banking System in regard to non-performing assets in terms of percentage of World ratio; and

(b) the steps the Government are considering to take to realise the non-performing assets ?

Answer

THE MINISTER OF STATE IN THE MINISTERY OF FINANCE (SHRI BALA SAHEB VIKHE PATIL)

(a): According to the information available with Reserve Bank of India (RBI), the Gross/Net Non Performing Assets (NPAs) and their percentage to Gross/Net advances, in respect of Scheduled commercial Banks in India for the year ended March 2000 was as under:-

	Amount (Rs. In crores)	Percentage to Advances
(i) Gross NPAs	60841	12.8
(ii) Net NPAs	30152	6.8

RBI has further reported that the information in respect of average percentage of NPAs of World Banking System are not available with it.

(b): Government of India and RBI have advised banks to take several steps for recovery of bank dues such as evolving and implementation of recovery policy by banks, filing of suits with civil courts, filing cases with Debt Recovery Tribunals, compromise settlement through Settlement Advisory Committees and monitoring and follow up of non-performing accounts at various levels in the bank. Recently, RBI vide its circular dated 27th July, 2000 has framed non-discretionary and non-discriminatory guidelines for settlement of NPAs upto Rs.5 crore and advised banks to evolve their own policy for loan outstandings of above Rs.5 crore. Effective action by banks for rehabilitation, one-time settlement or filing of suits in all necessary cases by 31.3.2001 has to be ensured by the chief executives.